

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	4 Years (% p.a.)	Since inception [^] (% p.a.)
Perennial Strategic Natural Resources Trust (Net)	-1.2	-0.6	9.3	23.5	13.3	14.3	28.5
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	3.2	6.5	6.5	6.5	6.5
*S&P/ASX200 Total Return Resources Index	-3.2	-11.2	-4.9	-14.9	5.5	6.5	14.8
Value Added	-1.7	-2.2	6.1	17.0	6.8	7.8	22.0

[^] Since inception: 1st April 2020. Past performance is not a reliable indicator of future performance. *S&P/ASX Total Return Resources Index is for comparison purposes only, the benchmark for the Trust is a positive absolute return exceeding 6.50% p.a. net of all fees.

Overview

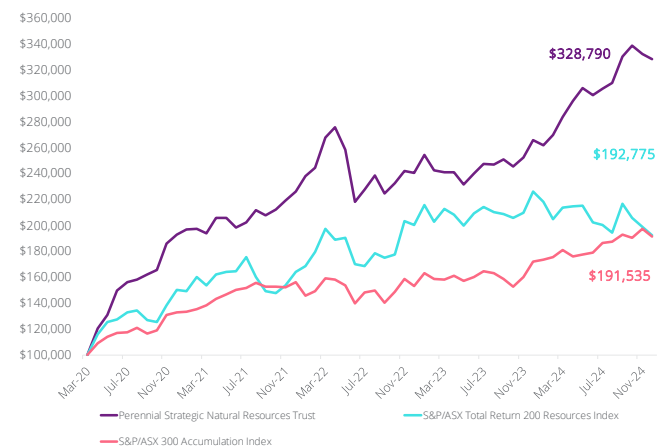
December rounded out a torrid quarter for the commodities sector with the ASX 200 Resources Index dropping -11.2%. The trust did reasonably well in preserving capital through this period, finishing down -1.2% for the month and -0.6% for the quarter. The calendar year return of +23.5% ending well ahead of the -14.9% index return.

Similarly to November, the rise of the US dollar was the main culprit, driving capital flows away from the commodity sector. Ironically, in A\$ terms, many of our underlying commodity exposures improved in price, which we expect to be highlighted in late January reporting.

Ultimately, periods of high-inverse-correlation between the US dollar and commodity prices are fleeting, as supply / demand eventually takes over. When this occurs, we expect much of the earnings-multiple compression of Australian based producers to unwind.

Looking forward, key commodity exposures for the trust, including bauxite, Australian domestic gas and the services industries have been immune to the US strength. Opportunities in the balance of the sector, much of which has been sold off despite flat to slightly increasing earnings, are becoming more and more appealing.

Growth of \$100,000 Since Inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Strategic Natural Resources Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of listed and unlisted companies exposed to commodity production.

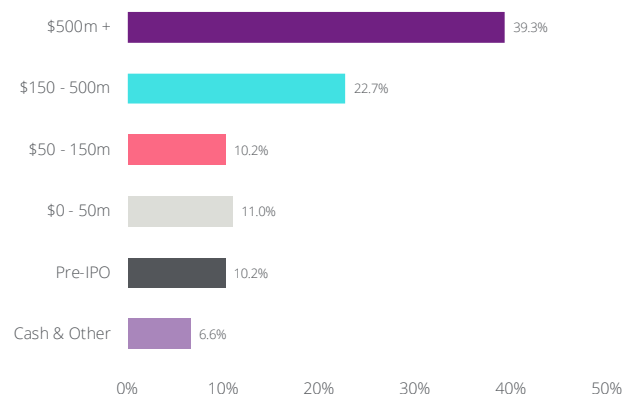
Portfolio Managers	Trust FUM
Sam Berridge & Ewan Galloway	AUD \$40.3 million
Distribution Frequency	Minimum Initial Investment
Annual	\$25,000
Trust Inception Date	Fees
April 2020	1.20% p.a. + Performance fee

APIR Code
WPC3240AU

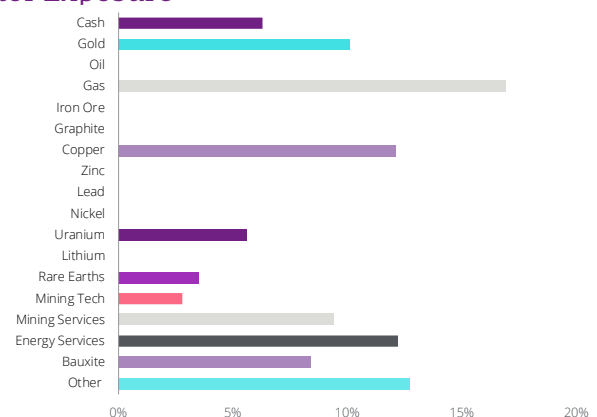
Top 5 Positions	Trust (%)
Metro Mining	8.7
SRG Global	5.6
Altitude Energy	5.4
Southern Cross Electrical	5.3
MAC Copper Ltd	4.5

Source: Perennial Value Management as at 31st December 2024.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Low liquidity and volatile markets led wide spectrum of returns in December. Better performing stocks included;

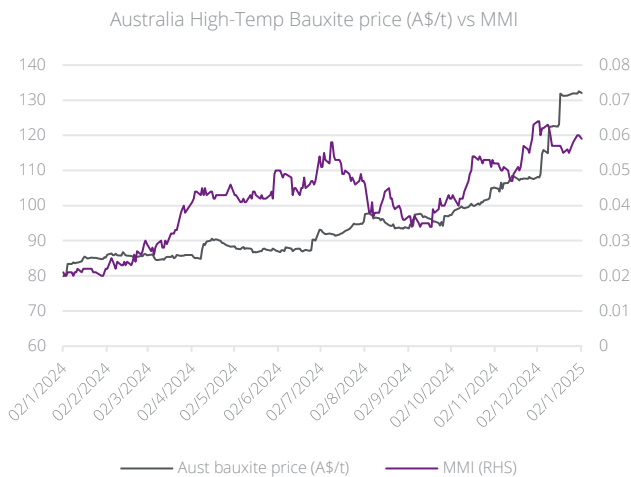
- Domestic gas producer, **Amplitude Energy**, climbed 13.9% on steadily increasing gas prices due to peaking demand in summer.
- **SRG Global** edged up a further 4.5% after announcing \$700m of new orders in November.
- Our holding in **US Natural Gas** bounced 16.5% after Artic temperatures implied a cold snap for the US east coast.
- Queensland based power and gas producer, **QPM Energy** climbed 33.3% after acquiring the Moranbah Power Station on attractive terms.

Investments which weighed on performance during the month included:

- Bauxite producer **Metro Mining**, drifted -4.8% despite the A\$ bauxite price rallying 22.7% in the month. We suspect the market is too fixated on the annual wet season shut-down during the March quarter, as opposed to the earnings implications for 2025.
- Energy tech firm **DUG Technology**, finished -16.5% lower, continuing to drift after not providing any formal earnings guidance at its AGM in November, which it's never done.
- **MAC Copper** fell 12.2% on a weaker copper price -1.9% albeit up 3.2% in A\$ terms.

Bauxite doesn't get a lot of press despite being a 270Mt pa market. A lack of attention leads to increased market inefficiency. We had an example of this in December, during which the Australian bauxite price rallied 17.1%, yet bauxite producer **Metro Mining (MMI)**, finished down 4.8%. To put the bauxite price move into context, we expect MMI to produce ~6.5Mt over CY25. The December price increase of A\$24.50/t multiplied by 6.5Mt crudely implies a \$159m increase in EBITDA if extrapolated over the next 12 months. That compares to MMI's market cap of \$357m.

Either MMI or bauxite is mispriced... we suspect it's the former.



Source: SMM, LSEG, Perennial

Global, Currency & Commodities (%)

S&P 500	-2.0
Nikkei 225	4.5
FTSE 100	-1.3
Shanghai Composite	0.9
RBA Cash Rate	4.35
AUD / USD	61.9c
Iron Ore	1.1
Oil	0.6
Gold	-1.0
Copper	-1.9



Portfolio Managers: Ewan Galloway (left) and Sam Berridge (right)

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The Trust finished the month with 49 positions and cash of 6.6%.

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Signatory of:



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